

Regional Haze

STATE: Utah

BRIEF STATEMENT OF THE ISSUE:

The final Federal Implementation Plan (FIP) for PacifiCorp's (Rocky Mountain Power in Utah) Units 1 and 2 at the Hunter and Huntington plants was signed on June 1, 2016 and published in the Federal Register on July 5, 2016 (81 FR 43894).

PacifiCorp and the state of Utah have sued us on our action and have requested reconsideration and an administrative stay of the compliance date.

ISSUE BACKGROUND:

Our rulemaking action on Utah's BART alternative partially disapproves the state's plan and requires, under a federal plan, the installation of selective catalytic control (SCR) technology to further reduce nitrogen oxides emissions at the four BART generating units at the Hunter and Huntington facilities. We approved Utah's particulate matter BART determinations for the same units.

We received thousands of mass mailer comments supporting the FIP; and hundreds of detailed technical comments from Utah, PacifiCorp, etc. supporting the state's SIP and from conservation organizations supporting the FIP.

UPCOMING DEADLINES: The compliance date for installation of controls in the FIP is August 4, 2021.

SUMMARY MESSAGE TO CONVEY:

We took our responsibility to evaluate the state of Utah's regional haze plan seriously and requested public comment to make sure our final decision was based on a thorough assessment of technical information and comments.

We are working with the Department of Justice on litigation matters.

As we have done with other states, with the partial disapproval and FIP, we are open to working with Utah on a revised state plan. If the state finalizes a revised plan that adequately addresses regional haze, our federal plan could be superseded upon our approval of the state's revised plan.

REGIONAL CONTACT: Monica Morales, Air Program, 303-312-6936

2008 Ozone Interstate Transport

STATE: Wyoming

BRIEF STATEMENT OF THE ISSUE:

Region 8 has a November 18, 2016 consent decree deadline for taking a final action on Wyoming's 2008 ozone interstate transport SIP.

ISSUE BACKGROUND:

Region 8 must propose action on Wyoming's 2008 ozone NAAQS infrastructure SIP submittal for interstate transport prongs 1 (contribute to nonattainment), 2 (interfere with maintenance) and 4 (visibility) in early October in order to meet a November 18, 2016 consent decree deadline for final action.

By a September 30, 2016 consent decree deadline, Region 8 will finalize a disapproval of prong 2 for Utah's 2008 ozone interstate transport SIP based on the greater than 1% contribution to Denver's ozone problems indicated by the CSAPR Update Rule modeling. Both Wyoming and Utah expressed frustration in comments on Region 8's proposed Utah disapproval, arguing that the proposed (and now final) CSAPR Update Rule explicitly states that the rule should **not** be applied to the western states. The final CSAPR Update Rule indicates for Wyoming interference with one maintenance receptor in Denver above the 1% contribution threshold.

Region 8 has had discussions with OAQPS, OGC and other western regions (6 and 9) on how we might approve a "weight of evidence" demonstration for prong 2 for Wyoming and potentially for New Mexico (in the near future). This demonstration would likely need to point to additional reductions outside of those indicated in the CSAPR Update Rule modeling.

The Region is struggling to develop a weight of evidence analysis to allow us to propose approval of prong 2 for Wyoming's ozone interstate transport SIP. This struggle is due to the recent and late submittal of an updated technical analysis by Wyoming and the very short timeframe remaining to propose a rule.

UPCOMING DEADLINES: November 18, 2016 consent decree deadline for signature on Region 8's final action.

SUMMARY MESSAGE TO CONVEY:

We are working with the Wyoming DEQ to analyze an updated technical analysis submitted to us on September 12, 2016 in support of the state's claim that they do not contribute to ozone problems in the Denver area and allow the Region to propose approval of prong 2.

Region 8 requested this information in mid-August from Wyoming's Department of Air Quality. Wyoming's late submittal of an updated technical analysis is placing a strain on the Region's resources to meet the November 18th consent decree deadline and justify an approval of prong 2 in Wyoming's SIP.

REGIONAL CONTACT: Monica Morales, Air Program, 303-312-6936

Proposed Federal Implementation Plan (FIP) for Existing Oil and Natural Gas Sources; Uintah and Ouray Indian Reservation in Utah (U&O Reservation)

STATE: Utah

BRIEF STATEMENT OF THE ISSUE:

Region 8 is proposing a FIP that will regulate VOC emissions from existing sources in the production and natural gas processing segments of the oil and natural gas sector that are located on Indian country lands within the U&O Reservation in the Uinta Basin.

ISSUE BACKGROUND:

Ozone levels in the Uinta Basin have exceeded the ozone standard numerous times and represent a serious public health concern. Approximately 98 percent of VOC and 60 percent of NOx emissions released in the Uinta Basin are from existing oil and natural gas production operations. Furthermore, approximately 78 percent of the Basin's oil and natural gas sector sources are on Indian country lands within the U&O Reservation and have no air emissions control obligations, because they do not meet the applicability criteria in established federal standards for the oil and natural gas sector, including NSPS OOOO and OOOOa and NESHAP HH.

The requirements in this FIP are intended to address two concerns: poor air quality in the Uinta Basin, and inconsistent regulatory requirements across Indian country and state of Utah jurisdictions. The proposed rule requirements are largely consistent with established federal standards for new and modified oil and natural gas sources, where we propose to regulate equivalent equipment and activities. However, we are proposing levels of control that protect air quality in a manner consistent with federal standards and seek to make requirements across the Uinta Basin consistent. Therefore, the requirements in the proposed rule most closely reflect Utah Division of Air Quality rules and permit requirements for existing oil and natural gas sources in the Uinta Basin. The FIP will require emission reductions in the Uinta Basin within 18 months.

UPCOMING DEADLINES: The FIP is currently under review by OMB. OMB's 90-day review period ends September 22, 2016.

SUMMARY MESSAGE TO CONVEY: The draft FIP will be consistent with Utah's rules for existing oil and gas sources on state land and create a level playing field for industry. If the Uinta Basin is designated nonattainment, then implementing the FIP sooner rather than later will help to get VOC reductions and make attainment by 2020, the area's likely attainment date, easier.

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2008 Ozone RACT for Moderate Attainment SIP

STATE: Colorado

BRIEF STATEMENT OF THE ISSUE:

Region 8 has been working with the state of Colorado on the development of their 2008 ozone moderate area SIP. Colorado has had difficulty developing the major source RACT portion of their SIP.

ISSUE BACKGROUND:

On May 4, 2016, the Denver Metro/Front Range marginal nonattainment area was bumped up to moderate for the 2008 ozone standard, requiring a SIP be submitted by January 2017. As part of the moderate area requirements, Colorado is required to submit a RACT SIP for VOC CTG sources as well as VOC and NOx major sources (approximately 50 major sources). Notably, Colorado has never had to submit a RACT SIP for any previous ozone standard. Due to being bumped up after failing to attain the standard by the marginal attainment date, Colorado has had a short amount of time to develop their RACT SIP before the RACT implementation deadline of January 1, 2017. Compounding the issue is the fact that Colorado does not have area source rules that cover large emitting units (e.g. turbines, boilers, etc.), which requires Colorado to outline specific RACT provisions for each major source in its SIP. These circumstances have resulted in two issues:

1. Colorado has cited the January 1, 2017 RACT implementation date as a way of truncating its RACT analysis for each major source. Specifically, Colorado asserts that no additional controls are considered to be RACT because they would be unable to implement by the implementation deadline. After consultation with OAQPS/OGC/Ozone Workgroup, Region 8 has communicated that Colorado should perform a full RACT analysis despite not being able to implement by the implementation deadline.
2. Colorado has received pushback from their major sources, regarding the inclusion of source specific RACT requirements into the SIP. This inclusion has been achieved by including permit level emission limits and including them into the SIP, and is consistent with sources across the country that are not covered under an area source rule.

UPCOMING DEADLINES: January 1, 2017 RACT implementation deadline and moderate SIP submittal deadlines.

SUMMARY MESSAGE TO CONVEY:

Colorado will need to submit a full RACT analysis for their VOC and NOx major sources that does not defer to the RACT implementation deadline. Additionally, in the absence of area source rules that constitute RACT for emitting units at each of the VOC and NOx major sources, Colorado will need to provide source specific RACT requirements into their SIP.

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